

R E P O R T

LIVINGSTON ECONOMIC DEVELOPMENT
COUNCIL, INC.

DECEMBER 31, 2002

LIVINGSTON ECONOMIC DEVELOPMENT
COUNCIL, INC.

INDEX TO REPORT

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	<u>PAGE</u>
ACCOUNTANT'S REPORT	1
FINANCIAL STATEMENTS:	
Statement of Financial Position.....	2
Statement of Activities.....	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 7



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

MICHAEL J. O'ROURKE, C.P.A.
WILLIAM G. STAMM, C.P.A.
CLIFFORD J. GIFFIN, JR., C.P.A.
DAVID A. BURGARD, C.P.A.
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DENNIS W. DILLON, C.P.A.

ANN M. HARGES, C.P.A.
ROBIN A. STROHMEYER, C.P.A.

KENNETH J. BROOKS, C.P.A., ASSOCIATE

1340 Poydras St., Suite 2000 · New Orleans, LA 70112
(504) 586-8866
FAX (504) 525-5888
cpa@dhhmcpa.com

A.J. DUPLANTIER JR., C.P.A.
(1919-1985)
FELIX J. HRAPMANN, JR., C.P.A.
(1919-1990)
WILLIAM R. HOGAN, JR., C.P.A.
(1920-1996)
JAMES MAHER, JR., C.P.A.
(1921-1999)

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June 23, 2003

Livingston Economic Development Council, Inc.
1810 South Range Ave.
Denham Springs, LA 70726

We have compiled the accompanying statement of financial position of the Livingston Economic Development Council, Inc. as of December 31, 2002, and the related statements of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated June 29, 2003, on the results of our agreed-upon procedures in relation to the Livingston Economic Development Council, Inc.

Duplantier, Hrapmann, Hogan & Maher, L.L.P.

LIVINGSTON ECONOMIC DEVELOPMENT COUNCIL, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2002
(Unaudited)

ASSETS:

Cash	\$ 103,482	
Certificates of deposit	313,873	
Accounts receivable	25,530	
Land	210,432	
Equipment and improvements	69,241	
Accumulated depreciation	<u>(7,665)</u>	
 TOTAL ASSETS		 \$ <u>714,893</u>

LIABILITIES:

Payroll deductions and accruals	\$ 2,119
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NET ASSETS:

Unrestricted -		
Designated for new program development	649,011	
Temporarily restricted	<u>63,763</u>	
Total net assets		<u>712,774</u>
 TOTAL LIABILITIES AND NET ASSETS		 \$ <u>714,893</u>

See accountant's report and accompanying notes.

LIVINGSTON ECONOMIC DEVELOPMENT COUNCIL, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2002
(Unaudited)

CHANGES IN UNRESTRICTED NET ASSETS:

REVENUES:

Grants -		
Parish		\$ 27,000
Municipalities		7,657
		<hr/> 34,657
Use of money and property -		
Interest earnings		8,072
Miscellaneous -		
Membership investments	12,250	
Dixie Business Development Center Contract	16,000	
Mortgage Finance Authority	24,000	
Other miscellaneous income	9,936	
		<hr/> 62,186
Total revenues		<hr/> 104,915

EXPENSES:

Advertising and promotion	3,605	
Auto expense reimbursement	4,500	
Conferences and seminars	2,981	
Depreciation expense	3,313	
Dues and subscriptions	917	
Insurance	822	
Interest expense	655	
Miscellaneous	3,222	
Moving expenses	4,842	
Office expenses	1,949	
Postage and freight	450	
Professional fees	120	
Property taxes	378	
Rent	12,000	
Repairs and maintenance	550	
Salaries and benefits	49,520	
Strategic plan consultants	8,209	
Telephone	1,925	
		<hr/> 99,958
Total expenses		<hr/> 99,958

INCREASE IN UNRESTRICTED NET ASSETS

4,957

INCREASE IN TEMPORARILY RESTRICTED NET ASSETS:

Hotel occupancy taxes	<hr/> 63,763
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INCREASE IN NET ASSETS

68,720

Net assets at beginning of year, as previously reported

646,532

Prior period adjustment

(2,478)

Net assets at beginning of year, as restated

644,054

NET ASSETS AT END OF YEAR

\$ 712,774

See accountant's report and accompanying notes.

LIVINGSTON ECONOMIC DEVELOPMENT COUNCIL, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2002
(Unaudited)

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase in net assets	\$ 68,720
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	3,313
Net change in operating assets and liabilities:	
Accounts receivable	(20,697)
Accounts payable	<u>627</u>
Net cash provided by operating activities	<u>51,963</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Maturities of certificates of deposit	<u>18,993</u>
Net cash provided in investing activities	<u>18,993</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Payments on notes payable	<u>(24,004)</u>
Net cash used by financing activities	<u>(24,004)</u>
NET INCREASE IN CASH	46,952
Cash and cash equivalents at beginning of year	<u>56,530</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 103,482</u></u>

See accountant's report and accompanying notes.

LIVINGSTON ECONOMIC DEVELOPMENT COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002
(Unaudited)

NATURE OF ACTIVITIES:

The Livingston Economic Development Council, Inc. (LEDC) was formed in 1982 by business and elected leaders to promote and secure capital investment in Livingston Parish to increase the tax base and provide job opportunities. The LEDC is a private, non-profit membership corporation.

The LEDC works to achieve this mission in three ways:

- ? Recruit new or expanding business opportunities to the parish from outside sources.
- ? Work with existing businesses and industry to encourage growth and expansion.
- ? Encourage entrepreneurship and the formation of new businesses.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The financial statements of LEDC have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the LEDC is required to report information regarding its financial position and activities according to three classes of net assets:

- ? Unrestricted Net Assets
- ? Temporarily Restricted Net Assets
- ? Permanently Restricted Net Assets

Fund Accounting

The accounts of LEDC are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund. In accordance with SFAS No. 117, fund balances are classified on the Statement of Financial Position as unrestricted, temporarily restricted or permanently restricted net assets based on the absence or existence and type of donor-imposed restrictions.

LIVINGSTON ECONOMIC DEVELOPMENT COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002
(Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Income Tax Status

The LEDC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the LEDC's tax-exempt purpose is subject to taxation as unrelated business income.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the LEDC considers all highly-liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents totaled \$103,482 at December 31, 2002.

Fixed Assets and Depreciation

Fixed assets are recorded at historical cost and depreciated over the estimated useful lives of the assets using the straight-line method. Depreciation expense was \$3,313 for the fiscal year ended December 31, 2002.

2. CASH AND CERTIFICATES OF DEPOSIT:

At December 31, 2002, the status of deposited funds and collateralized balances are as follows:

Balance per bank statements	\$ 417,933
Secured by Federal Deposit insurance	<u>414,341</u>
Unsecured and uncollateralized	<u>\$ 3,592</u>

3. TEMPORARILY RESTRICTED NET ASSETS:

Livingston Economic Development Council, Inc. received \$63,763 from the Louisiana Department of the Treasury. The funds are restricted by Acts 12 and 13 of the Louisiana Legislative Regular Sessions of 2001 and 2002, General Appropriations Acts for a purpose which has not been met.

4. LEASE EXPENSE COMMITMENTS:

During the year ended December 31, 2002, Livingston Economic Development Council, Inc. entered into a one year lease with Dixie Business Development Center for office space for \$1,000 a month. The lease was extended for an additional year and expires on January 31, 2004. Future minimum lease payments are as follows:

LIVINGSTON ECONOMIC DEVELOPMENT COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002
(Unaudited)

4. LEASE EXPENSE COMMITMENTS: (Continued)

<u>Year ended</u> <u>December 31</u>	<u>Amount</u>
2003	\$ 12,000
2004	<u>1,000</u>
	<u>\$ 13,000</u>

5. PRIOR PERIOD ADJUSTMENT:

Prior period adjustment was the result of not recording depreciation expense of \$2,478 and a corresponding amount to accumulated depreciation for the fiscal year ended December 31, 2001.



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

1340 Poydras St., Suite 2000 · New Orleans, LA 70112
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FAX (504) 525-5888
cpa@dhhmcpa.com

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES

June 29, 2003

Livingston Economic Development
Council, Inc.
1810 South Range Avenue
Denham Springs, LA 70726

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Livingston Economic Development Council, Inc. and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Livingston Economic Development Council, Inc.'s compliance with certain laws and regulations during the year ended December 31, 2002 included in the *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed are as follows:

State and Local Awards

1. Determine the amount of State and local award expenditures for the fiscal year, by grant and grant year.

<u>Grant Name</u>	<u>Grant Year</u>	<u>Amount</u>
Municipalities	December 31, 2002	\$ <u>7,656</u>
Parish Council	December 31, 2002	\$ <u>27,000</u>
Denham Springs/Livingston Parish Housing and Mortgage Finance Authority	December 31, 2002	\$ <u>24,000</u>

State, and Local Awards (Continued)

2. We randomly selected thirty disbursements for all grants during the period under examination.
3. For the items selected in procedure 2, we traced all of the disbursements to supporting documentation as to proper amount and payee.

We examined supporting documentation for the thirty selected disbursements for all grants and found that payment was for the proper amount and made to the correct payee.

4. For the items selected in procedure 2, we determined if the disbursements were properly coded to the correct fund and general ledger account.

All of the disbursements were properly coded to the correct fund and general ledger account.

5. For the items selected in procedure 2, we determined whether the disbursements received approval from proper authorities.

Inspection of documentation supporting each of the selected disbursements indicated approval from two members of the Board.

6. For the items selected in procedure 2, we determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed

We reviewed the previously listed disbursements for types of services allowed or not allowed. All disbursements complied with the allowability requirements because the services rendered met the goals of the programs.

Eligibility

Since all disbursements are for economic development, there is no eligibility concern for the disbursements.

Reporting

There were no reporting requirements for the year ended December 31, 2002.

7. For the programs selected for testing in item (2) that had been closed out during the period under review, we compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

None of the programs were closed during the period.

Meetings

8. We examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Livingston Economic Development Council, Inc. is only required to post a notice of each meeting and the accompanying agenda on the door of Livingston Economic Development Council, Inc.'s office building. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion other than an unmarked copy of the notices and agendas.

Budgeting

9. For all grants exceeding five thousand dollars, we determined that each applicable State, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Livingston Economic Development Council, Inc. provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

10. We reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

In the audit for the year ended December 31, 2001, there were no findings noted.

We were not engaged to, and did not; perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Board of Commissioners and management of Livingston Economic Development Council, Inc. and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, L.L.P.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Entities)
5/29/03 (Date Transmitted)

LIVINGSTON ECONOMIC DEVELOPMENT COUNCIL INC
1810 S RANGE AVE
DENHAM SPRINGS LA 70726
TO: DIPLOMATIC, HARMAN HOGAN E MAHER CPAs ~~(REDACTED)~~

In connection with your compilation of our financial statements as of December 31, 2002 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representation).

Federal, State, and Local Awards

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials. Yes ☒ No ☐

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation. Yes ☒ No ☐

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements. Yes ☒ No ☐

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law). Yes ☒ No ☐

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance. Yes ☒ No ☐ N.A.

Prior Year Comments

We have resolved all prior-year recommendations and/or comments. Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you

documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

<u>Jeff Woods</u>	Secretary	<u>Jeff Woods</u>	Date	<u>5/28/03</u>
<u>Edward P. Brown</u>	Treasurer	<u>FERMINA P. GERRIE</u>	Date	<u>5/27/03</u>
<u>Mary Brown</u>	President	<u>Mary Broussard</u>	Date	<u>5/27/03</u>